

ATTACHMENT 4.19-A

GUAM PAYMENT FOR INPATIENT HOSPITAL SERVICES

I. Payment Rates

Guam has only one certified provider of inpatient hospital services, Guam Memorial Hospital (GMH). All on-island inpatient medical services that are covered by the Medicaid Program are billed through Guam Memorial Hospital. Reimbursement to GMH is on the basis of a fee schedule which is revised annually through contract negotiations. Because these rates are negotiated to the satisfaction of both parties, (Guam Medicaid and GMH), the rates are considered to be reasonable and adequate to meet the costs that must be incurred by an efficiently and economically operated provider to provide services in conformity with applicable State and Federal laws, regulations and quality and safety standards. Off-island emergency care is paid by Medicaid directly to the off-island institution reimbursement rate.

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In establishing reimbursement rates, Guam Medicaid will take into consideration, but not be limited to the following factors:

- 1) Guam Memorial Hospital's charges, which historically have been less than or about equal to costs since GMH is a government funded hospital;
- 2) Reimbursement for patients receiving services at an inappropriate level of care under conditions similar to those described in Section 1861(v)(1)(G) of the Act, which is made at lower rates, reflecting the level of care actually received;
- 3) The situation of hospitals which serve a disproportionate number of low income patients with special needs;
- 4) Reasonable access by recipients to inpatient hospital services of adequate quality, taking into account geographic location and reasonable travel times;
- 5) Protection against fraud and abuse; and
- 6) Any other factors which would reduce costs or enhance the quality of care.

The fee schedule or rates negotiated are grouped into the following service categories:

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|----|---------------------------------------|--|
| 1) | Room and Board | Charge per Day |
| | Semi-private or private rooms | |
| | Special Care Units | |
| | Telemetry | |
| | Nursery | |
| 2) | Physician Services | Conversion Factor per 1970 HRVS |
| | Internal Medicine | C.F. 1.00 x unit value |
| | Surgery and Anesthesia | Inpt. 10, opd. 11, clinic 12 x unit value |
| | Others | |
| 3) | Operating Room | Fee for Service Charges |
| 4) | Pathology and Laboratory Services | Fee for Service Charges
Unit value x .43 and/or
C.P.T. Code Fee Schedule |
| 5) | Hemodialysis Acute Care Stabilization | Charge per Hour or Day |

6)	Radiology	Fee for Service Charges 4 x unit value
7)	Drugs	Fee for Service Charges and/or Program Drug Formulary
8)	Emergency Room	Fee for Service Charges
9)	Off-Island Treatment	Off-Island providers are reimbursed at the negotiated rates
10)	Administrative Days. Reimbursement for patients receiving services at an inappropriate (SNF) level of care under conditions similar to those described in Section 1861(V)(1)(G) of the Social Security Act will be at the same rate paid for SNF services provided to patients in GMH's SNF. The methodology and standards used to determine this rate are described under 4.19 Attachment D of this State Plan.	

II. Provider Appeals

The appeal process is the negotiation process which allows GMH to emphasize any unique or special problems it encounters as a result of servicing Medicaid recipients. Any further appeals

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are at the Department level. Also, by definition, a negotiation process results in rates which are mutually satisfactory. Therefore, no further appeal process is needed for the rates.

III. Cost Reporting

Guam Memorial Hospital files a Medicare cost report annually. This same cost report will be filed with Guam Medicaid so that costs can be used as a basis for negotiating the rates or fee schedule.

IV. Audits

The allowable costs reported in the Medicare cost report will be audited by the Medicare Fiscal Intermediary. Any applicable Medicare audit adjustments will be incorporated into the Medicaid negotiation process. In addition, on-site audits of Guam Memorial Hospital are made periodically by either a certified public accounting firm or Guam Internal auditors.

V. Upper Limits

The rates Guam Medicaid negotiates will not exceed either Guam Memorial Hospital's customary charges or the amount that would be paid for the services under the Medicare principles of reimbursement under 42 CFR 405, Subpart D.

GUAM

Payment for Inpatient Hospital Services

- I. Assurances Required by 42 CFR 447.252(c)
- A. Guam Medicaid assures that the payment rates resulting from this rate determination system will be reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.
- B. Guam Medicaid assures that the payment rates resulting from this rate determination system will be adequate to assure that recipients have reasonable access to inpatient hospital services of adequate quality, taking into account geographic location and reasonable travel time.
- C. Guam Medicaid assures that it has found that the payment rates resulting from this rate determination system will satisfy the requirements of 42 CFR 447.252(a)(1) and (a)(3).

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- D. Guam Medicaid assures that this system complies with the uniform cost reporting and periodic audit requirements specified in 42 CFR 447.260 and 447.265, respectively.
- E. Guam Medicaid assures that in making this significant change in its State Plan described methods and standards for determining payment rates, it has complied with the public notice requirements in 42 CFR 447.254.

II. Related Information Required by 42 CFR 447.252(d)

A.	<u>Prior Year's</u>	<u>Current Year's Rates</u>	<u>Current Year's Rates</u>
	<u>Rates</u>	<u>Under Existing Approved</u> <u>State Plan Methodology</u>	<u>Under Proposed</u> <u>Amendment Method-</u> <u>ology</u>
	Inpatient-	Same	Same
	\$389/per per-	No change in actual	No change in actual
	son per year	practice methodology	practice methodology

B. Quantified Estimate of Effect of Change

- 1) Availability of Services: No impact is expected.
- 2) Type of Care Furnished: No impact is expected.

- 3) Extent of Provider Participation: No impact is expected.
- 4) Degree to which costs are covered in hospitals serving a disproportionate number of low income patients with special needs. Since the Medicaid rates for hospital are negotiated with Guam Memorial Hospital, GMH by definition must be satisfied that the rates cover the costs.